



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo Nation President Joe Shirley, Jr., vetoes Shiprock, To'hajiilee gaming enterprise legislation

WINDOW ROCK, Ariz. – Undeterred by an override of similar legislation last month by the Navajo Nation Council, Navajo Nation President Joe Shirley, Jr., on Monday vetoed two more pieces of legislation that sought to create chapter gaming enterprises.

In his Feb. 5 veto message to Navajo Nation Council Speaker Lawrence T. Morgan, President Shirley said that he earlier warned the council that creating chapter gaming enterprises violated gaming compacts with New Mexico and Arizona, and he urged the council to stop trying to create new enterprises.

“To avoid violation of the New Mexico and Arizona State Gaming Compacts, to maximize our revenue generating potential, and to protect the interests of the entire Navajo Nation, I urge the Council to stop establishing local gaming enterprise boards and to instead support the Navajo Nation Gaming Enterprise,” he said.

With that, he vetoed council resolutions CJA-06-07 and CJA-07-07 that would have created gaming enterprises in Shiprock and To'Hajiilee. Earlier, he vetoed a resolution that created a gaming enterprise in Tse'Daa'Kaan, which was overridden by the council in January.

In September, the Council created the Navajo Nation Gaming Enterprise, which is to be the central authority responsible for all gaming operations within the Navajo Nation.

“This Enterprise, and this Enterprise only, would answer to State regulators, the National Indian Gaming Commission, and to the Navajo Nation Council,” the President said. “The establishment of the Navajo Nation Gaming Enterprise requires representation from each of the Navajo agencies as well as board membership with

specialized degrees and experience in the gaming industry. The Enterprise also has the authority to establish multiple casinos under the control of the Enterprise.”

“If the Council continues to enact legislation that is contrary to our State Gaming Compacts, we will put the Nation at risk and jeopardize our ability to begin gaming operations.”

– Navajo President Joe Shirley, Jr.

The President also said that based upon a market study provided by GVA Marquette Advisors, To'hajiilee was no longer considered a viable site for casino development.

“The study reveals that the gaming market in or near the Albuquerque area is saturated by existing Pueblo casinos along I-40 and I-25,” he said. “For this reason, the To'hajiilee Chapter should reevaluate whether pursuing a casino is in the best interests of the Chapter.”

The President said that establishing more than one gaming enterprise licensed to conduct gaming operations within the Navajo Nation, regardless of the location of their principal places of business, violates the compact between the Navajo Nation and the State of Arizona.

In his message to the Speaker, he included a Feb. 2, 2007, letter from Paul Bullis, the director of the Arizona Department of Gaming. Mr. Bullis said the “Nation must utilize a single Gaming Facility Operator to operate and manage all casinos and all Class III gaming activities.”

"The State of Arizona will not distinguish between enterprises in Arizona or New Mexico because each gaming enterprise established by the Navajo Nation Council, including the To'hajiilee Gaming Enterprise, is authorized to conduct business *anywhere* within the Navajo Nation," the President said.

He said the legislation to create both the To'hajiilee and Shiprock gaming enterprises states that they could conduct "any and all gaming activities within the Navajo Nation." He said this language authorizes the enterprise to conduct gaming activities anywhere, including in Arizona, and that the compact with Arizona "clearly prohibits the establishment of more than one Gaming Facility Operator within the Navajo Nation."

"I warned the Navajo Nation Council that the establishment of local gaming enterprise boards would likely violate the State Compacts with Arizona and New Mexico," the President said. "The Office of the President/Vice President requested an opinion on this issue from New Mexico State officials and expects a similar interpretation of the Compact between the Navajo Nation and the State of New Mexico."

The President said it was crucial that the Executive and Legislative branches unify on the gaming issue.

"I am concerned that if the Council continues to enact legislation that is contrary to our State Gaming Compacts, we will put the Nation at risk and jeopardize our ability to begin gaming operations," he said. "I ask you to please work with me so that we can, together, do what's necessary to get casinos developed and operating on the Navajo Nation."

The President said it was likely that only six of the Nation's 110 chapters would have a casino.

"These six chapters will benefit greatly from direct revenues, increased employment, new housing developments, improved infrastructure, and, if a chapter is governance-certified, from sales tax revenues," he said. "By working together, we can ensure that the remaining 104 chapters benefit from gaming as well."

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